112TH CONGRESS 1ST SESSION

H. R. 3404

To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2011

Mr. Hastings of Washington introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

- Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

 SECTION 1. ESTABLISHMENT OF UNDER SECRETARY FOR

 ENERGY, LANDS, AND MINERALS AND ASSISTANT SECRETARY OF OCEAN ENERGY AND

 SAFETY.
- 7 There shall be in the Department of the Interior—

1	(1) an Under Secretary for Energy, Lands, and
2	Minerals, who shall—
3	(A) be appointed by the President, by and
4	with the advise and consent of the Senate;
5	(B) report to the Secretary of the Interior;
6	(C) be paid at the rate payable for level III
7	of the Executive Schedule; and
8	(D) be responsible for—
9	(i) the safe and responsible develop-
10	ment of our energy and mineral resources
11	on Federal lands in appropriate accordance
12	with United States energy demands; and
13	(ii) ensuring multiple-use missions of
14	the Department of the Interior that pro-
15	mote the safe and sustained development
16	of energy and minerals resources on public
17	lands (as that term is defined in the Fed-
18	eral Land Policy and Management Act of
19	1976 (43 U.S.C. 1701 et seq.));
20	(2) an Assistant Secretary of Ocean Energy
21	and Safety, who shall—
22	(A) be appointed by the President, by and
23	with the advise and consent of the Senate;
24	(B) report to the Under Secretary for En-
25	ergy, Lands, and Minerals;

1	(C) be paid at the rate payable for level IV
2	of the Executive Schedule; and
3	(D) be responsible for ensuring safe and
4	efficient development of energy and minerals on
5	the Outer Continental Shelf of the United
6	States; and
7	(3) an Assistant Secretary of Land and Min-
8	erals Management, who shall—
9	(A) be appointed by the President, by and
10	with the advise and consent of the Senate;
11	(B) report to the Under Secretary for En-
12	ergy, Lands, and Minerals;
13	(C) be paid at the rate payable for level IV
14	of the Executive Schedule; and
15	(D) be responsible for ensuring safe and
16	efficient development of energy and minerals on
17	public lands and other Federal onshore lands
18	under the jurisdiction of the Department of the
19	Interior, including implementation of the Min-
20	eral Leasing Act (30 U.S.C. 181 et seq.) and
21	the Surface Mining Control and Reclamation
22	Act (30 U.S.C. 1201 et seq.) and administra-
23	tion of the Office of Surface Mining.

(a) Establishment.—There is established in the

SEC. 2. BUREAU OF OCEAN ENERGY.

3	Department of the Interior a Bureau of Ocean Energy (re-
4	ferred to in this section as the "Bureau"), which shall—
5	(1) be headed by a Director of Ocean Energy
6	(referred to in this section as the "Director"); and
7	(2) be administered under the direction of the
8	Assistant Secretary of Ocean Energy and Safety.
9	(b) Director.—
10	(1) Appointment.—The Director shall be ap-
11	pointed by the Secretary of the Interior.
12	(2) Compensation.—The Director shall be
13	compensated at the rate provided for Level V of the
14	Executive Schedule under section 5316 of title 5,
15	United States Code.
16	(c) Duties.—
17	(1) IN GENERAL.—The Secretary of the Inte-
18	rior shall carry out through the Bureau all func-
19	tions, powers, and duties vested in the Secretary re-
20	lating to the administration of a comprehensive pro-
21	gram of offshore mineral and renewable energy re-
22	sources management.
23	(2) Specific authorities.—The Director
24	shall promulgate and implement regulations—
25	(A) for the proper issuance of leases for
26	the exploration, development, and production of
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1	nonrenewable and renewable energy and min-
2	eral resources on the Outer Continental Shelf;
3	(B) relating to resource identification, ac-
4	cess, evaluation, and utilization;
5	(C) for development of leasing plans, lease
6	sales, and issuance of leases for such resources;
7	and
8	(D) regarding issuance of environmental
9	impact statements related to leasing and post
10	leasing activities including exploration, develop-
11	ment, and production, and the use of third
12	party contracting for necessary environmental
13	analysis for the development of such resources.
14	(3) Limitation.—The Secretary shall not carry
15	out through the Bureau any function, power, or duty
16	that is—
17	(A) required by section 3 to be carried out
18	through the Ocean Energy Safety Service; or
19	(B) required by section 4 to be carried out
20	through the Office of Natural Resources Rev-
21	enue.
22	(d) Responsibilities of Land Management
23	AGENCIES.—Nothing in this section shall affect the au-
24	thorities of the Bureau of Land Management under the
25	Federal Land Policy and Management Act of 1976 (43

- U.S.C. 1701 et seq.) or of the Forest Service under the National Forest Management Act of 1976 (Public Law 3 94–588). SEC. 3. OCEAN ENERGY SAFETY SERVICE. 5 (a) Establishment.—There is established in the 6 Department of the Interior an Ocean Energy Safety Service (referred to in this section as the "Service"), which 8 shall— 9 (1) be headed by a Director of Energy Safety (referred to in this section as the "Director"); and 10 11 (2) be administered under the direction of the 12 Assistant Secretary of Ocean Energy and Safety. 13 (b) Director.— 14 (1) APPOINTMENT.—The Director shall be ap-15 pointed by the Secretary of the Interior. 16 (2) Compensation.—The Director shall be 17 compensated at the rate provided for Level V of the 18 Executive Schedule under section 5316 of title 5, 19 United States Code. 20 (c) Duties.— 21
 - (1) IN GENERAL.—The Secretary of the Interior shall carry out through the Service all functions, powers, and duties vested in the Secretary relating to the administration of safety and environmental enforcement activities related to offshore mineral

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- and renewable energy resources on the Outer Continental Shelf pursuant to the Outer Continental Shelf
 Lands Act (43 U.S.C. 1331 et seq.) including the
 authority to develop, promulgate, and enforce regulations to ensure the safe and sound exploration, development, and production of mineral and renewable
 energy resources on the Outer Continental Shelf in
 a timely fashion.
 - (2) Specific authorities.—The Director shall be responsible for all safety activities related to exploration and development of renewable and mineral resources on the Outer Continental Shelf, including—
 - (A) exploration, development, production, and ongoing inspections of infrastructure;
 - (B) the suspending or prohibiting, on a temporary basis, any operation or activity, including production under leases held on the Outer Continental Shelf, in accordance with section 5(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1334(a)(1));
 - (C) cancelling any lease, permit, or rightof-way on the Outer Continental Shelf, in accordance with section 5(a)(2) of the Outer Con-

1	tinental Shelf Lands Act (43 U.S.C
2	1334(a)(2));
3	(D) compelling compliance with applicable
4	Federal laws and regulations relating to worker
5	safety and other matters;
6	(E) requiring comprehensive safety and en-
7	vironmental management programs for persons
8	engaged in activities connected with the explo-
9	ration, development, and production of mineral
10	or renewable energy resources;
11	(F) developing and implementing regula-
12	tions for Federal employees to carry out any in-
13	spection or investigation to ascertain compli-
14	ance with applicable regulations, including
15	health, safety, or environmental regulations;
16	(G) implementing the Offshore Technology
17	Research and Risk Assessment Program under
18	section 21 of the Outer Continental Shelf
19	Lands Act (43 U.S.C. 1347);
20	(H) summoning witnesses and directing
21	the production of evidence;
22	(I) levying fines and penalties and disquali-
23	fying operators;
24	(J) carrying out any safety, response, and
25	removal preparedness functions, and

1	(K) the processing of permits, exploration
2	plans, development plans.
3	(d) Employees.—
4	(1) In general.—The Secretary shall ensure
5	that the inspection force of the Bureau consists of
6	qualified, trained employees who meet qualification
7	requirements and adhere to the highest professional
8	and ethical standards.
9	(2) QUALIFICATIONS.—The qualification re-
10	quirements referred to in paragraph (1)—
11	(A) shall be determined by the Secretary,
12	subject to subparagraph (B); and
13	(B) shall include—
14	(i) three years of practical experience
15	in oil and gas exploration, development, or
16	production; or
17	(ii) a degree in an appropriate field of
18	engineering from an accredited institution
19	of higher learning.
20	(3) Assignment.—In assigning oil and gas in-
21	spectors to the inspection and investigation of indi-
22	vidual operations, the Secretary shall give due con-
23	sideration to the extent possible to their previous ex-
24	perience in the particular type of oil and gas oper-
25	ation in which such inspections are to be made.

1	(4) Background Checks.—The Director shall
2	require that an individual to be hired as an inspec-
3	tion officer undergo an employment investigation
4	(including a criminal history record check).
5	(5) Language requirements.—Individuals
6	hired as inspectors must be able to read, speak, and
7	write English well enough to—
8	(A) carry out written and oral instructions
9	regarding the proper performance of inspection
10	duties; and
11	(B) write inspection reports and state-
12	ments and log entries in the English language.
13	(6) Veterans preference.—The Director
14	shall provide a preference for the hiring of an indi-
15	vidual as a inspection officer if the individual is a
16	member or former member of the armed forces and
17	is entitled, under statute, to retired, retirement, or
18	retainer pay on account of service as a member of
19	the armed forces.
20	(7) Annual Proficiency Review.—
21	(A) ANNUAL PROFICIENCY REVIEW.—The
22	Director shall provide that an annual evaluation
23	of each individual assigned inspection duties is

conducted and documented.

1	(B) Continuation of employment.—An
2	individual employed as an inspector may not
3	continue to be employed in that capacity unless
4	the evaluation demonstrates that the indi-
5	vidual—
6	(i) continues to meet all qualifications
7	and standards;
8	(ii) has a satisfactory record of per-
9	formance and attention to duty based on
10	the standards and requirements in the in-
11	spection program; and
12	(iii) demonstrates the current knowl-
13	edge and skills necessary to courteously,
14	vigilantly, and effectively perform Inspec-
15	tion functions.
16	(8) Limitation on right to strike.—Any
17	individual that conducts permitting or inspections
18	under this section may not participate in a strike, or
19	assert the right to strike.
20	(9) Personnel Authority.—Notwithstanding
21	any other provision of law, the Director may employ,
22	appoint, discipline and terminate for cause, and fix
23	the compensation, terms, and conditions of employ-
24	ment of Federal service for individuals as the em-

ployees of the Service in order to restore and main-

1	tain the trust of the people of the United States in
2	the accountability of the management of our Na-
3	tion's energy safety program.
4	(10) Training academy.—
5	(A) IN GENERAL.—The Secretary shall es-
6	tablish and maintain a National Offshore En-
7	ergy Health and Safety Academy (referred to in
8	this paragraph as the "Academy") as an agency
9	of the Ocean Energy Safety Service.
10	(B) Functions of Academy.—The Sec-
11	retary, through the Academy, shall be respon-
12	sible for—
13	(i) the initial and continued training
14	of both newly hired and experienced off-
15	shore oil and gas inspectors in all aspects
16	of health, safety, environmental, and oper-
17	ational inspections;
18	(ii) the training of technical support
19	personnel of the Bureau;
20	(iii) any other training programs for
21	offshore oil and gas inspectors, Bureau
22	personnel, Department personnel, or other
23	persons as the Secretary shall designate;
24	and

1	(iv) certification of the successful
2	completion of training programs for newly
3	hired and experienced offshore oil and gas
4	inspectors.
5	(C) Cooperative agreements.—
6	(i) In general.—In performing func-
7	tions under this paragraph, and subject to
8	clause (ii), the Secretary may enter into
9	cooperative educational and training agree-
10	ments with educational institutions, related
11	Federal academies, other Federal agencies
12	State governments, safety training firms
13	and oil and gas operators and related in-
14	dustries.
15	(ii) Training requirement.—Such
16	training shall be conducted by the Acad-
17	emy in accordance with curriculum needs
18	and assignment of instructional personnel
19	established by the Secretary.
20	(11) Use of department personnel.—In
21	performing functions under this subsection, the Sec-
22	retary shall use, to the extent practicable, the facili-
23	ties and personnel of the Department of the Interior
24	The Secretary may appoint or assign to the Acad-

emy such officers and employees as the Secretary

1	considers necessary for the performance of the du-
2	ties and functions of the Academy.
3	(12) Additional training programs.—
4	(A) In General.—The Secretary shall
5	work with appropriate educational institutions,
6	operators, and representatives of oil and gas
7	workers to develop and maintain adequate pro-
8	grams with educational institutions and oil and
9	gas operators that are designed—
10	(i) to enable persons to qualify for po-
11	sitions in the administration of this Act;
12	and
13	(ii) to provide for the continuing edu-
14	cation of inspectors or other appropriate
15	Department of the Interior personnel.
16	(B) Financial and technical assist-
17	ANCE.—The Secretary may provide financial
18	and technical assistance to educational institu-
19	tions in carrying out this paragraph.
20	(e) Limitation.—The Secretary shall not carry out
21	through the Service any function, power, or duty that is—
22	(1) required by section 2 to be carried out
23	through Bureau of Ocean Energy; or
24	(2) required by section 4 to be carried out
25	through the Office of Natural Resources Revenue.

1 SEC. 4. OFFICE OF NATURAL RESOURCES REVENUE.

- 2 (a) Establishment.—There is established in the
- 3 Department of the Interior an Office of Natural Resources
- 4 Revenue (referred to in this section as the "Office") to
- 5 be headed by a Director of Natural Resources Revenue
- 6 (referred to in this section as the "Director").
- 7 (b) APPOINTMENT AND COMPENSATION.—
- 8 (1) IN GENERAL.—The Director shall be appointed by the Secretary of the Interior.
- 10 (2) COMPENSATION.—The Director shall be 11 compensated at the rate provided for Level V of the 12 Executive Schedule under section 5316 of title 5,
- 13 United States Code.
- 14 (c) Duties.—
- 15 (1) IN GENERAL.—The Secretary of the Inte-16 rior shall carry out, through the Office, all functions, 17 powers, and duties vested in the Secretary and relat-18 ing to the administration of offshore royalty and rev-19 enue management functions.
 - (2) Specific authorities.—The Secretary shall carry out, through the Office, all functions, powers, and duties previously assigned to the Minerals Management Service (including the authority to develop, promulgate, and enforce regulations) regarding offshore royalty and revenue collection; royalty and revenue distribution; auditing and compli-

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- 1 ance; investigation and enforcement of royalty and
- 2 revenue regulations; and asset management for on-
- 3 shore and offshore activities.
- 4 (d) Limitation.—The Secretary shall not carry out
- 5 through the Office any function, power, or duty that is—
- 6 (1) required by section 2 to be carried out
- through Bureau of Ocean Energy; or
- 8 (2) required by section 3 to be carried out
- 9 through the Ocean Energy Safety Service.

10 SEC. 5. ETHICS AND DRUG TESTING.

- 11 (a) CERTIFICATION.—The Secretary of the Interior
- 12 shall certify annually that all Department of the Interior
- 13 officers and employees having regular, direct contact with
- 14 lessees, contractors, concessionaires, and other businesses
- 15 interested before the Government as a function of their
- 16 official duties, or conducting investigations, issuing per-
- 17 mits, or responsible for oversight of energy programs, are
- 18 in full compliance with all Federal employee ethics laws
- 19 and regulations under the Ethics in Government Act of
- 20 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of
- 21 Federal Regulations, and all guidance issued under sub-
- 22 section (c).
- 23 (b) Drug Testing.—The Secretary shall conduct a
- 24 random drug testing program of all Department of the
- 25 Interior personnel referred to in subsection (a).

- 1 (c) Guidance.—Not later than 90 days after the
- 2 date of enactment of this Act, the Secretary shall issue
- 3 supplementary ethics and drug testing guidance for the
- 4 employees for which certification is required under sub-
- 5 section (a). The Secretary shall update the supplementary
- 6 ethics guidance not less than once every 3 years there-
- 7 after.
- 8 SEC. 6. ABOLISHMENT OF MINERALS MANAGEMENT SERV-
- 9 ICE.
- 10 (a) Abolishment.—The Minerals Management
- 11 Service is abolished.
- 12 (b) Completed Administrative Actions.—
- 13 (1) In General.—Completed administrative
- 14 actions of the Minerals Management Service shall
- not be affected by the enactment of this Act, but
- shall continue in effect according to their terms until
- amended, modified, superseded, terminated, set
- aside, or revoked in accordance with law by an offi-
- cer of the United States or a court of competent ju-
- 20 risdiction, or by operation of law.
- 21 (2) Completed administrative action de-
- FINED.—For purposes of paragraph (1), the term
- "completed administrative action" includes orders,
- determinations, memoranda of understanding,
- 25 memoranda of agreements, rules, regulations, per-

- 1 sonnel actions, permits, agreements, grants, con-
- 2 tracts, certificates, licenses, registrations, and privi-
- 3 leges.

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- 4 (c) Pending Proceedings.—Subject to the author-
- 5 ity of the Secretary of the Interior and the officers of the
- 6 Department of the Interior under this Act—
- 7 (1) pending proceedings in the Minerals Man-8 agement Service, including notices of proposed rule-9 making, and applications for licenses, permits, cer-10 tificates, grants, and financial assistance, shall con-11 tinue, notwithstanding the enactment of this Act or 12 the vesting of functions of the Service in another 13 agency, unless discontinued or modified under the 14 same terms and conditions and to the same extent 15 that such discontinuance or modification could have

occurred if this Act had not been enacted; and

(2) orders issued in such proceedings, and appeals therefrom, and payments made pursuant to such orders, shall issue in the same manner and on the same terms as if this Act had not been enacted, and any such orders shall continue in effect until amended, modified, superseded, terminated, set aside, or revoked by an officer of the United States or a court of competent jurisdiction, or by operation of law.

- 1 (d) Pending Civil Actions.—Subject to the au-
- 2 thority of the Secretary of the Interior or any officer of
- 3 the Department of the Interior under this Act, pending
- 4 civil actions shall continue notwithstanding the enactment
- 5 of this Act, and in such civil actions, proceedings shall be
- 6 had, appeals taken, and judgments rendered and enforced
- 7 in the same manner and with the same effect as if such
- 8 enactment had not occurred.
- 9 (e) References.—References relating to the Min-
- 10 erals Management Service in statutes, Executive orders,
- 11 rules, regulations, directives, or delegations of authority
- 12 that precede the effective date of this Act are deemed to
- 13 refer, as appropriate, to the Department, to its officers,
- 14 employees, or agents, or to its corresponding organiza-
- 15 tional units or functions. Statutory reporting requirements
- 16 that applied in relation to the Minerals Management Serv-
- 17 ice immediately before the effective date of this Act shall
- 18 continue to apply.
- 19 SEC. 7. CONFORMING AMENDMENTS TO EXECUTIVE
- 20 SCHEDULE PAY RATES.
- 21 (a) Under Secretary for Energy, Lands, and
- 22 Minerals.—Section 5314 of title 5, United States Code,
- 23 is amended by inserting after the item relating to "Under
- 24 Secretaries of the Treasury (3)" the following:

- 1 "Under Secretary for Energy, Lands, and Min-
- erals, Department of the Interior.".
- 3 (b) Assistant Secretaries.—Section 5315 of title
- 4 5, United States Code, is amended by striking "Assistant
- 5 Secretaries, Department of the Interior (6)" and inserting
- 6 the following:
- 7 "Assistant Secretaries, Department of the Inte-
- 8 rior (7).".
- 9 (c) Directors.—Section 5316 of title 5, United
- 10 States Code, is amended by striking "Director, Bureau of
- 11 Mines, Department of the Interior." and inserting the fol-
- 12 lowing new items:
- "Director, Bureau of Ocean Energy, Depart-
- ment of the Interior.
- 15 "Director, Ocean Energy Safety Service, De-
- partment of the Interior.
- 17 "Director, Office of Natural Resources Rev-
- enue, Department of the Interior.".
- 19 SEC. 8. OUTER CONTINENTAL SHELF ENERGY SAFETY AD-
- visory board.
- 21 (a) Establishment.—The Secretary of the Interior
- 22 shall establish, under the Federal Advisory Committee
- 23 Act, an Outer Continental Shelf Energy Safety Advisory
- 24 Board (referred to in this section as the "Board")—

1	(1) to provide the Secretary and the Directors
2	established by this Act with independent scientific
3	and technical advice on safe, responsible, and timely
4	mineral and renewable energy exploration, develop-
5	ment, and production activities; and
6	(2) to review operations of the National Off-
7	shore Energy Health and Safety Academy estab-
8	lished under section 3(d), including submitting to
9	the Secretary recommendations of curriculum to en-
10	sure training scientific and technical advancements.
11	(b) Membership.—
12	(1) Size.—The Board shall consist of not more
13	than 11 members, who—
14	(A) shall be appointed by the Secretary
15	based on their expertise in oil and gas drilling,
16	well design, operations, well containment and
17	oil spill response; and
18	(B) must have significant scientific, engi-
19	neering, management, and other credentials and
20	a history of working in the field related to safe
21	energy exploration, development, and produc-
22	tion activities.
23	(2) Consultation and nominations.—The
24	Secretary shall consult with the National Academy

of Sciences and the National Academy of Engineer-

- 1 ing to identify potential candidates for the Board 2 and shall take nominations from the public.
- 3 (3) TERM.—The Secretary shall appoint Board 4 members to staggered terms of not more than 4 5 years, and shall not appoint a member for more 6 than 2 consecutive terms.
- 7 (4) BALANCE.—In appointing members to the 8 Board, the Secretary shall ensure a balanced rep-9 resentation of industry and research interests.
- (c) Chair.—The Secretary shall appoint the Chairfor the Board from among its members.
- 12 (d) MEETINGS.—The Board shall meet not less than 13 3 times per year and shall host, at least once per year, 14 a public forum to review and assess the overall energy 15 safety performance of Outer Continental Shelf mineral 16 and renewable energy resource activities.
- (e) Offshore Drilling Safety Assessments
 And Recommendations.—As part of its duties under
 this section, the Board shall, by not later than 180 days
 after the date of enactment of this section and every 5
 years thereafter, submit to the Secretary a report that—

 (1) assesses offshore oil and gas well control
 technologies, practices, voluntary standards, and

regulations in the United States and elsewhere; and

- 1 (2) as appropriate, recommends modifications
 2 to the regulations issued under this Act to ensure
 3 adequate protection of safety and the environment,
 4 including recommendations on how to reduce regula5 tions and administrative actions that are duplicative
 6 or unnecessary.
- 7 (f) Reports.—Reports of the Board shall be sub8 mitted by the Board to the Committee on Natural Re9 sources of the House or Representatives and the Com10 mittee on Energy and Natural Resources of the Senate
 11 and made available to the public in electronically acces12 sible form.
- 13 (g) Travel Expenses.—Members of the Board,
 14 other than full-time employees of the Federal Government,
 15 while attending meeting of the Board or while otherwise
 16 serving at the request of the Secretary or the Director
 17 while serving away from their homes or regular places of
 18 business, may be allowed travel expenses, including per
 19 diem in lieu of subsistence, as authorized by section 5703
 20 of title 5, United States Code, for individuals in the Gov21 ernment serving without pay.

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